

Blaine T. Johnson 100 West Broadway, Suite 250 PO Box 2798 Bismarck, ND 58502-2798 701.223.6585

December 9, 2015

Mr. Darrell Nitschke Executive Secretary North Dakota Public Service Commission 600 E. Boulevard Ave., Dept. 408 Bismarck, ND 58505-0480

RE: Dakota Access LLC

Dakota Access Pipeline Project

Case No. PU-14-842 Our File No. 31-536-001 via E-mail and U.S. Mail

Dear Mr. Nitschke:

Please find enclosed the proposed Findings of Fact, Conclusions of Law, and Order of Applicant, Dakota Access, LLC

Also enclosed please find an Affidavit of Service by Mail.

Please contact me should you have any questions.

Sincerely,

CROWLEY FLECK PLLP

Blair T. M.

Blaine T. Johnson

Enc.

cc: Za

Zack Pelham (by E-mail) Derrick Braaten (by E-mail) Bryan Van Grinsven (by E-mail) Bryan L. Giese (by E-mail)

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF NORTH DAKOTA

Dakota Access, LLC Dakota Access Pipeline Project Siting Application CASE NO. PU-14-842

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

December _____, 2015

Appearances

Commissioners Julie Fedorchak, Randy Christmann, and Brian P. Kalk.

Brian Bjella and Blaine Johnson, Attorneys at Law, Crowley Fleck PLLP, 100 West Broadway, Suite 250, Bismarck, North Dakota 58501, on behalf of Dakota Access, LLC.

Zachary E. Pelham, Special Assistant Attorney General, Legal Counsel for the North Dakota Public Service Commission, 314 East Thayer Avenue, Bismarck, North Dakota 58501.

Julie Prescott, Public Utility Analyst, Public Service Commission, State Capitol, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Wade C. Mann, Administrative Law Judge, Office of Administrative Hearings, 2911 North 14th Street, Suite 303, Bismarck, North Dakota 58503.

Derrick Braaten, Attorney at Law, 109 North Fourth Street, Suite 100, Bismarck, North Dakota 58501-4003, on behalf of the following intervenors:

Douglas Ferebee, Dale Ferebee, Lois Ferebee, John Schultz, Hildegard Steckler, Joel Johnson, John Steckler, Thomas L. Tuhy, Lois Wanner, Grant Johnson, Jeff Renner, Angie Renner, Edward Clive, Patricia G. Pelton, Vernon J. Leingang, Dennis Kunkel, Paula Jo A. Wanner, Adam J. Wanner, Leo Reisenauer, Karen Reisenauer, Robert J. Slavick, Kathleen Schmaltz, Timothy Wasen, Roberta Wasen, Russell J. Kunkel, Nina Filibeck, Michael L. Hapt, Bonnie Hapt, Michael Isaak, Janice Isaak, Gordon Kroh, Wesley Kroh, Eldon Kroh, Daniel H. Neurohr, Charlotte Neurohr, Delbert Zarr, Larry Erdmann, Hollis Erdmann, Zane Voigt, Alice Voigt, Florence Bessaw, Joann Payne, Mary Jane Miller, Doug Hille, Janet Anderson, Gail Howard, Milton O. Lindvig, and Jerome Rice.

Bryan Van Grinsven, Attorney at Law, 15 Second Avenue SW, #305, Minot, North Dakota 58702-0998, on behalf of the intervenor North Dakota Pipeline Company, LLC.

Bryan L. Giese, Attorney at Law, 107 First Avenue NW, Mandan, North Dakota 58554-3150, on behalf of intervenor Douglas E. Bopp.

Preliminary Statement

On December 22, 2014, Dakota Access, LLC ("Dakota Access") filed with the Public Service Commission ("Commission") an application for a certificate of corridor compatibility and route permit to authorize the construction of a crude oil pipeline and associated facilities ("Project").

Dakota Access also filed an application for a waiver of procedures and time schedules established under North Dakota Century Code Chapter 49-22, and North Dakota Administrative Code Chapter 69-06-06 which requires separate filings and applications for a certificate of corridor compatibility and a route permit, separate notices of such applications, separate hearings on such applications, certain time schedules, and a public hearing in each of the affected counties unless the Commission holds one or more consolidated hearings.

On March 25, 2015, the Commission deemed Dakota Access's application complete and issued a Notice of Filings and Notice of Hearings scheduling the following hearings:

May 28, 2015, at 8:30 a.m. Central Time, at the Baymont Inn (formerly the Seven Seas Hotel), 2611 Old Red Trail, Mandan, North Dakota 58554.

June 15, 2015, at 9:00 a.m. Mountain Time, at the High Plains Cultural Center, 194 Central Avenue South, Killdeer, North Dakota 58640.

June 26, 2015, at 9:00 a.m. Central Time, at the Ernie French Center, 14120 Highway 2, Williston, North Dakota 58502.

The Notice identified the following issues to be considered with respect to the request for a waiver of procedures and time schedules:

- 1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects and that adherence to applicable procedures and time schedules may be waived?
- 2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The issues to be considered in the application for a certificate of corridor compatibility and route permit are:

- 1. Will the location and operation of the proposed facilities produce minimal adverse affects on the environment and upon the welfare of the citizens of North Dakota?
- 2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
- 3. Will the proposed facility locations minimize adverse human and environmental impacts while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

On May 21, 2015, Dakota Access filed with the Commission an executed Certification Relating to Order Provisions – Transmission Facility Siting, dated May 20, 2015, attached to which was the Commission's Tree and Shrub Mitigation Specifications.

All public hearings were held as scheduled.

Having allowed all interested persons an opportunity to be heard, and having heard, reviewed and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

- 1. Under North Dakota Century Code § 49-22-07, a utility may not begin construction of a transmission facility in this state without first having obtained a certificate of corridor compatibility and route permit. The facility must be constructed, operated and maintained in conformity with a certificate and permit and any terms, conditions or modifications of the certificate or permit.
- 2. Dakota Access is a Delaware limited liability company, with offices located in Dallas, Texas.
- 3. Dakota Access is authorized to do business in the State of North Dakota as evidenced by the Certificate of Good Standing issued by the North Dakota Secretary of State, dated February 17, 2015, and filed with the Commission on February 20, 2015.

Size, Type and Preferred Location of Facility

4. The Project consists of approximately 1,169 miles of new pipeline to be located in North Dakota, South Dakota, Iowa and Illinois. The total proximate cost of the Project is \$3.78 billion, with approximately \$1.41 billion estimated for construction in North Dakota.

- 5. Approximately 358 miles of the Project will be located in North Dakota.
- 6. Six tank terminals are to be constructed, being the Stanley Tank Terminal in Mountrail County, the Ramberg Tank Terminal in Williams County, the Epping Tank Terminal in Williams County, the Trenton Tank Terminal in Williams County, Watford City Tank Terminal in McKenzie County, and the Johnson Corner Tank Terminal in McKenzie County.

The Stanley Tank Terminal will have two 120,000 barrel capacity tanks.

The Ramberg Tank Terminal will have three tanks of 100,000, 150,000 and 200,000 barrels respectively.

The Epping Tank Terminal will have one 100,000 barrel tank and one 150,000 barrel tank.

The Trenton Tank Terminal will have one 100,000 barrel tank and one 150,000 barrel tank.

The Watford City Tank Terminal will have two 100,000 barrel tanks and one 150,000 barrel tank.

The Johnson Corner Tank Terminal will have two 200,000 barrel tanks.

- 7. The North Dakota portion of the Project contains two pipeline components, being the Supplyline, and the Mainline. The Supplyline is approximately 147 miles long with 12, 20, 24 and 30 inch diameter pipe. The Mainline portion will be approximately 211 miles long with 30 inch pipe.
- 8. The pipe will be manufactured according to American Petroleum Institute Specifications, API 5L Seamless Line Pipe and will meet International Organization for Standardization (ISO) 3183 specifications, and applicable design codes set forth in 49 CFR Part 195.
- 9. The wall thickness is 0.375 for the 12-inch diameter pipe, .312 for the 20-inch diameter pipe, 0.375 for the 24-inch diameter pipe, and 0.429 for the 30-inch diameter pipe.
- 10. There will be 29 pipeline block valves located on the Supplyline, and an additional 30 pipeline block valves located on the Mainline.
- 11. The maximum design flow rate for the pipeline varies dependent upon the size of the pipe, from 100,000 barrels per day for the 12-inch diameter pipe up to 600,000 barrels per day for the 30-inch diameter pipe. The maximum design operating pressure of the pipeline is 1,440 psi throughout the Project.

Need for Facility

- 12. The purpose of this Project is to deliver reliable supplies of crude oil from the Bakken/Three Forks production areas in North Dakota to refining markets in the Midwest region and also to the Gulf Coast region of the United States. Crude oil production in North Dakota has substantially increased in the last five years rising from 245,000 barrels per day in December 2010 to over 1,185,000 barrels per day in 2014. North Dakota has become the second largest oil producing state in the nation. Projections for crude oil production from the Bakken and Three Forks Formations alone by 2016 range up to 1.6 million barrels per day.
- 13. Currently there are limited options for refineries in the Midwest and Gulf Coast regions that use pipeline transportation to transport crude from the Bakken and Three Forks production areas. In order for crude oil from North Dakota to travel by pipelines to refineries in the Midwest and Gulf Coast, oil must travel via multiple pipeline systems, with limited capacity. As a result of insufficient transportation by pipeline, most of the crude oil produced in North Dakota is now transported by train. Pipelines are the safest mode of transportation of crude oil.
- 14. By transporting domestically supplied crude oil to these markets, the United States will have access to a cheaper, more reliable source of crude oil.

Study of Preferred Location(s)

- 15. The Commission established criteria pursuant to North Dakota Century Code § 49-22-05.1 to guide the Commission in the corridor and route suitability evaluation and designation process. The criteria set forth in North Dakota Administrative Code § 69-06-08-02, are classified as Exclusion Areas, Avoidance Areas, Selection Criteria, and Policy Criteria.
- 16. A transmission facility route must not be sited within an Exclusion Area.
- 17. An Exclusion Area may not encompass more that 50% of the corridor width unless there is no reasonable alternative. Exclusion Areas must be excluded from consideration of a route for a transmission facility. A buffer zone of a reasonable width protecting the integrity of the area must be included. Natural screening may be considered in determining the width of the buffer zone.
- 18. A transmission facility must not be sited within an Avoidance Area, unless the applicant shows that there is no reasonable alternative. In determining whether an Avoidance Area shall be designated for a facility, the Commission may consider, among other things, the

- proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; efficient use of resources; and alternative routes.
- 19. Dakota Access defined its area of review as a one-mile study area ("Study Corridor") centered on pipeline and also at the proposed tank terminal sites. Extensive desk-top analysis was completed within this one-mile study area for cultural resources, wetlands and waterbodies, habitat assessments, soils and geology, GIS mapping, review of public and purchased databases, state and federal agency databases, peer-reviewed articles and internet research.
- 20. In addition, extensive field studies were conducted on a 400-foot wide survey area ("Environmental Survey Area") centered on the pipeline, where survey permission has been granted. Field surveys were also conducted for the tank terminal sites.
- 21. In an attempt to avoid expanding population centers, Dakota Access routed the pipeline around the cities of Williston and Watford City.
- 22. Dakota Access conducted a Class I Cultural Resource inventory search on the one-mile Study Corridor centered on the proposed pipeline route. In addition, Dakota Access conducted a Class III Cultural Resource inventory on the 400-foot wide Environmental Survey Area. Dakota Access has completed survey work for the majority of the route, and has submitted its findings to the SHPO for review. Dakota Access will complete the remaining field surveys when access is allowed and will submit the results to the SHPO.
- 23. The Environmental Construction Plan contains information regarding pipeline construction procedures which will be implemented having to do with clearing and grading, erosion control, topsoil removal and storage, pipe trenching, trench dewatering, lowering in and backfilling of the pipeline, and hydrostatic testing. It also includes detail regarding soil decompaction, clean up, and final grading following pipeline installation. In addition, the Environmental Construction Plan includes restoration procedures such as seed and bed preparation, planting methods, seed mixtures and planting. The plan also includes details regarding post construction monitoring. Dakota Access will monitor all areas where stabilization techniques that have been implemented. A monitoring program will identify remedial measures that will be considered to mitigate any degradation if the initial treatments are not effective in achieving reclamation objectives. Successful reclamation performance will be based on revegetation success (e.g. cover, frequency and diversity), the presence of weeds or invasive plants, stability of the construction right of way, waterbody bed and bank stability, and returning hydrology in wetlands.
- 24. Dakota Access has obtained shipper approval for this Project, as the total transport capacity shippers have committed for is 90% (405,000 barrels per day) of the pipeline capacity, and approximately 10% (45,000 barrels per day) will be reserved to walk-up shippers.

- 25. Dakota Access has indicated that four businesses and eight occupied residences are located within 500 feet of the proposed pipeline Project. Waivers have been obtained from the owners of all the businesses and submitted to the Commission. In addition, waivers have been obtained from the owners of all of the occupied residences [two, possibly three waivers remain outstanding, but are expected prior to the Order being issued] and submitted to the Commission. The location of the pipeline was based on landowner preferences and there are no reasonable alternatives to these locations, as other alternatives have equal or greater human, environmental, and/or land use impacts.
- 26. The proposed Project route and corridor run underneath the Missouri River in two locations, which is a water source for a number of cities and rural water districts. To achieve the Project's purpose to transport crude oil produced by the Williston Basin to markets in the eastern and southern United States, the Project must run underneath the river. As a result, there is no reasonable alternative to the proposed corridor and route.
- 27. On April 14, 2015, Dakota Access submitted its Tree and Shrub Sampling Plan and its Environmental Construction Plan. In addition, on May 15, 2015, Dakota Access filed with the Commission its Wildlife Inventory and Habitat Assessment Field Survey Report, its Tree and Shrub Inventory Report, and its Wetland and Waterbody Delineation Report.
- 28. Dakota Access has been in consultation with the United States Fish and Wildlife Service, US Army Corps of Engineers regarding surveys it has completed in areas of respective jurisdiction. Additionally, North Dakota Game and Fish Department and the North Dakota Parks and Recreation Department were contacted with respect to impacts, surveys, and permit requirements.
- 29. As of June 10, 2015, a cultural resource inventory has been completed for the route and represents 96.5% of the route. Surveys conducted to date have resulted in documentation of approximately 191 archeological sites, historic structure sites, isolate and site leads. Of these, approximately 34 are unevaluated and potentially eligible for the National Register of Historic Places. Dakota Access is working with the North Dakota State Historic Preservation Office ("SHPO") on the need and scope of additional studies that may involve a formal evaluation of some archeological sites and historic structures for potential eligibility. Dakota Access prefers to avoid inventoried archeological sites and historic structures in pipeline siting. However, in the event Dakota Access is unable to avoid impacts through design or construction efforts, it will conduct formal evaluations in consultation with the SHPO and seek resolution through mitigation of those sites that would have the potential for listing on the National Register of Historic Places. A final report is expected to be available by the end of June, and which will then be submitted to SHPO for consideration.

- 30. The Wildlife Inventory and Habitat Assessment Field Survey included assessments for all federally protected species, being the black-footed ferret, gray wolf, northern long-eared bat, least tern, piping plover, rufa red-knot, whopping crane, pallid sturgeon and the Dakota skipper butterfly. Dakota Access has had several meetings with the United States Fish and Wildlife Service. A biological assessment regarding protected species that the project may affect, but will not adversely affect is anticipated to be submitted to the USFWS in December 2015 This assessment will include the results of the surveys performed with respect to the Dakota skipper butterfly.
- 31. Dakota Access intends to replace impacted trees and shrubs on a 2 to 1 ratio. The actual number of trees or shrubs removed from any specific location will be recorded during clearing activities, and an updated inventory will be filed with the Commission. After completion of construction activities, Dakota Access will carry out tree and shrub replacement on the route in accordance with the Commission's guidelines and the Tree and Shrub Mitigation Specifications attached to the Certification Relating to Order Provisions Transmission and Facility Siting as filed with the Commission.
- 32. Wetland and waterbody features were delineated the following prescribed US Army Corps of Engineers methodologies in the fall of 2014, and in addition in the spring and summer of 2015. Field evaluations were conducted by qualified biologists. A total of 525 wetlands (228.98 acres) have been field delineated within the Environmental Survey Area for those lands for which Dakota Access had survey access. Dakota Access has designed the Project to avoid permanent fill in wetlands. Temporary impacts will be limited to the construction phase and are estimated to be 81.14 acres, and permanent vegetation conversion would be approximately to only be 0.36 acre.
- Dakota Access submitted its late-filed Exhibit No. 6 indicating the boring distance at both entry and exit points to the following waterbodies: Missouri River between McKenzie and Williams Counties, Cherry Creek in McKenzie County, Cherry Creek No. 2 in McKenzie County, Little Missouri River in Dunn County, Knife River in Mercer County, Heart River in Morton County and the Missouri River between Morton and Emmons Counties. All these waterbodies will be directionally drilled.
- 34. Dakota Access has avoided crossing in any state recreation areas, the Little Missouri National Grasslands, and the Theodore Roosevelt National Park.
- 35. Long term impacts to prime farmland and farmland that is of statewide and local importance will be minor. Approximately 37 acres will be permanently removed from agricultural production, consisting primarily of the lands within the six terminal sites.
- 36. Dakota Access is seeking federal permits for the two crossings of the Missouri River from the US Army Corps of Engineers. Dakota Access expected comments on a draft Environmental Assessment from the Corps of Engineers by June 30. In addition, a

- sovereign lands application has been made to the North Dakota State Water Commission for crossing of the Knife River, Heart River and the two Missouri River crossings.
- 37. Dakota Access has been in consultation with the North Dakota Parks and Recreation Department regarding the Sprague's Pipit, Upland Sandpiper, Piping Plover, Prairie Falcon, Least Tern, and Paddlefish, Pallid Sturgeon, and the Blue Sucker as identified in the Department's letter. Lake Oahe is the location of all aquatic species as well as the Piping Plover and Least Tern, and this habitat will not be affected as the river crossing will be directionally drilled. Dakota Access is in consultation with the Department with respect to the other species.
- 38. Dakota Access will retain independent construction, safety, agricultural and independent environmental inspectors to monitor contractors' compliance with all construction and environmental requirements. These inspectors will be on location during construction of the Project.
- 39. The Project is not anticipated to have significant impacts on fish and wildlife resources, nor are significant impacts anticipated to endangered or threatened sensitive plant or animal species.
- 40. Dakota Access has indicated there are no areas within the corridor or route where plant or animal species that are unique or rare to this state would be irreversibly damaged by the Project.
- 41. In accordance with the Commission's Selection Criteria, the transmission facility shall be approved only if it is determined that any significant adverse effects that will result from the location, construction and operation of the facility as they relate to the Selection Criteria will be at an acceptable minimum, or will be managed and maintained at an acceptable minimum. Dakota Access has analyzed impacts of the Project in relation to all of the relevant Selection Criteria. No significant adverse impact will result, location, construction and operation of the Project.
- 42. In accordance with the Commission's Policy Criteria, preference may be given to an applicant demonstrating certain benefits of the transmission facility. Dakota Access has analyzed the relevant Policy Criteria and has committed to conducting its business in compliance with all applicable environmental laws and regulations; energy conservation through the facility's location, process and design; training and utilizing of available labor in the state; conducting the Project to take advantage of the economies of scale; achieving transmission capacity in the most minimally intrusive and most efficient way possible; and coordinating with state and local officials. Dakota Access demonstrated its commitment to maximizing the benefits of the proposed transmission facilities so as to meet the Policy Criteria.

Measures to Minimize Impact

- 43. Dakota Access has agreed to a number of steps to mitigate the impact of the Project as indicated by the Certification Relating to Order Provisions Transmission Facility Siting dated May 20, 2015, with accompanying Tree and Shrub Mitigation Specifications, which is attached to this Order.
- 44. The right of way will primarily consist of a 50 foot wide easement. During construction an additional 35 feet to 100 feet in width of temporary work space will be necessary for a total of 85 to 150 feet of construction right-of-way. Additional temporary workspaces will be needed at specific locations to facilitate crossings of features such as roadways, waterways, railroads, and third party utilities.
- 45. Dakota Access indicated there will be 59 block valves placed along the pipeline in the State of North Dakota. The longest distance between the valves will be 22.39 miles. Pipeline block valves will be placed at each terminal and at each set of launcher and receiver barrels; at the beginning of high consequence areas as identified by PHMSA (U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration); at approximately six mile intervals within high consequence areas; major water body crossings; railroad crossings to comply with crossing agreements; and major highway crossings. Dakota Access shall comply with the valve location requirements specified by the PHMSA for pipeline safety pursuant to 49 CFR, Part 195.
- 46. Dakota Access has developed an Environmental Construction Plan which outlines construction-related environmental policies and procedures and general mitigation measures for construction of the Pipeline. The Environmental Construction Plan will be included in contract specifications.
- 47. The design, construction and operation of the transmission facility will be in accordance with PHMSA regulations governing the transportation of crude oil, as prescribed under Parts 194 and 195 of Title 49 of the Code of Federal Regulations.
- 48. The pipeline will operate at 1440 pounds psig, with a 0.72 safety design factor for the Mainline, and 0.5 safety factor at road and water body crossings, which meets or exceeds federal regulatory requirements.
- 49. Dakota Access will incorporate the project into an existing operations control center to coordinate all operations throughout the Project, including flow rate, pressure, and opening and closing of valves. The operations control center will monitor devices that alert operators to changes in operating parameters, providing a detection mechanism for response to emergency conditions. Satellite and telecommunication links will connect the operations control center with Project facilities to ensure rapid response and constant monitoring of pipeline conditions.

- 50. An advanced Supervisory Control and Data Acquisition ("SCADA") system will be utilized to constantly monitor sensing devices placed on the pipeline to track pressure, temperature, density, and flow of liquid petroleum under transport and display each movement status to operators at the control center. Through these systems the pipeline operators can maintain the pipeline within established operating parameters, and can remotely shut down pump stations and isolate pipeline segments when abnormal conditions are observed or if safety parameters are exceeded.
- 51. A subsystem of the SCADA system, known as the Computational Pipeline Monitoring system ("CPM"), will be installed and has the ability to analyze deviations in the flow of liquids to the pipeline, and improves operators' ability to identify leaks and other abnormal operating conditions.
- 52. In addition to remote control operations, local automated control operations and manual overrides will be in place to control or operate the pipeline should remote communications fail. Field operations personnel will be located in close proximity to facilities that are controlled remotely from the operations control center. Field personnel will be trained to respond to abnormal conditions and manually oversee equipment.
- 53. During installation and commissioning, the pipeline will be subjected to careful inspection and testing to verify its integrity in compliance with regulatory standards and contract specifications. Testing will include checking coating integrity, examining by non-destructive testing 100% all field welds which is above the 10% required by federal regulation, internally inspecting the entire length of the line by using an inline inspection tool, and hydrostatically testing the pipeline.
- 54. Detailed maintenance procedures will be established which will include regular inspections and surveillance of the pipeline, which will also include detailed analysis of navigable waterways which is required by regulations of PHMSA, 49 CFR Part 195.
- 55. The pipeline will be patrolled and inspected by air every ten days, weather permitting, but at least every three weeks and not less than 26 times per year.
- 56. Emergency response equipment will be located in Epping, Williston, Watford City & Bismarck, North Dakota. The pipeline operator and qualified contractors will maintain emergency response equipment and personnel at the points identified, and will train personnel to respond to pipeline emergencies. Additionally, contracts will be in place with oil spill response companies that have the capability to mobilize and support cleanup and remediation efforts in the event of a pipeline release.
- 57. All operations personnel employed on the Project will be trained in emergency response including the National Incident Management System, Incident Command System, of

- managing an emergency response. Personnel will be staffed at the main headquarters office in Watford City, and at a secondary office location near Williston.
- 58. The pipeline will be equipped with cathodic protection system to prevent external corrosion. In addition, a fusion bonding epoxy coating will be applied to the exterior of the pipe to also prevent corrosion.
- 59. In addition, Dakota Access will utilize the Leak Warn system to monitor the pipeline for leaks. Leak Warn is a state-of-the-art computational pipeline monitoring tool that features a real-time transient model that is based on pipeline pressure, flow and temperature data.
- 60. Dakota Access submitted as Exhibit No. 7 its draft Facility Response Plan, as required by federal regulations 49 CFR Part 194. The final plan will be submitted to PHMSA prior to the pipeline being placed into service, and the plan must be approved by PHMSA.
- 61. Dakota Access will coordinate with local emergency responders and train local authorities in preventing and responding to any pipeline related concern. These activities will include conducting and hosting, over a period of time, emergency response drills both with Dakota Access employees and local emergency responders along the pipeline route. In addition, Dakota Access will conduct public education outreach programs, including damage prevention programs, that meet or exceed industry and federal requirements such as those adopted by the American Petroleum Institute Recommended Practice 1162 and established at 49 CFR 195.440, regarding public awareness of pipelines and pipeline safety matters.
- 62. Dakota Access will mark the pipeline with signage and warnings pursuant to federal regulations at road and highway crossings, navigable rivers, and other required locations to alert the public to the presence of underground lines and to provide information, contact numbers, and emergency data.
- 63. Dakota Access will participate in the 811 one-call system, being a nationally recognized system to prevent third party damage to underground facilities.
- 64. North Dakota Pipeline Company, LLC intervened in this proceeding due to the proximity of its proposed Sandpiper Pipeline to the proposed Dakota Access Pipeline. PHMSA regulation Part 195 Section 195.250 mandates that any pipe installed underground must have at least 12 inches of clearance between the outside of the pipe and the extremity of any other underground structure, except where impracticable the clearance may be reduced if adequate provisions are made for corrosion control.
- 65. There will be 6 launchers and 5 receivers for a total of 11 traps installed along the pipeline in North Dakota. These are sites which will be utilized to send and receive

internal pipeline tools (known as pigs) through the pipeline to check for any abnormalities.

Other Issues

- 66. At the public hearing held in Mandan, North Dakota, Mr. Doug Hille presented a possible route option near the Heart River. Just prior to the Williston hearing, the attorney for Mr. Hille presented a map to Dakota Access of the proposed reroute. After the hearings, Dakota Access analyzed the proposed reroute, and filed its report as Late Filed Exhibit #2. The report states that it prefers to utilize the route as proposed in the application, as the proposed reroute would affect 12 additional landowners and create other operational issues as described in its report. In addition, Dakota Access has demonstrated how it would have access to its proposed route. As a result, the reroute proposed by Mr. Hille is not reasonable and will not be required.
- 67. At the Williston public hearing, North Dakota Pipeline Company, LLC presented testimony and also filed an exhibit with respect to the distance between its Sandpiper Pipeline and Dakota Access's pipeline in a Mountrail County tract. North Dakota Pipeline Company, LLC expressed concern regarding the proximity and location of the two proposed pipelines and requested (1) a twenty-five (25) foot offset between temporary workspaces and the centerline of the pipeline; (2) fifty (50) foot spacing from centerline of pipeline to centerline of pipeline; and (3) distinct and separate temporary workspaces between the Sandpiper pipeline and the Dakota Access pipeline. North Dakota Pipeline Company and Dakota Access have had multiple meetings with respect to proximity of each other's facilities when ultimately constructed. North Dakota Pipeline Company, LLC unilaterally filed "Response to Request for Additional Documentation" consisting of NDPL Exhibits 2-7 with the Commission reflecting a generalized representation of what North Dakota Pipeline Company, LLC believes should be the positioning of the lines. Both North Dakota Pipeline Company and Dakota Access have extensive experience safely constructing and operating their pipelines in close proximity to third party pipelines and utilities and both testified that they would continue to coordinate efforts to insure the safety and integrity of their respective pipelines. North Dakota Department of Trust Lands has filed with the Commission a letter to Dakota Access, LLC dated June 25, 2015, which includes survey plats of the pipeline corridor across Trust Lands. The letter states "the proposed Dakota Access Pipeline will need to be routed 25 feet from and parallel to the nearest pipeline in the pipeline corridor. The letter further indicates that "[t]emporary work space needs to be depicted correctly as it should not be depicted over adjacent existing pipelines." Pursuant to 49 CFR 195.250, "any pipe installed underground must have at least 12 inches (305 millimeters) of clearance between the outside of the pipe and the extremity of any other underground structure."

- 68. At the Killdeer hearing, Mr. Robert Ferebee offered a possible reroute in Dunn County, suggesting that the Dakota Access pipeline could be co-located near the existing Tesoro pipeline. Dakota Access was requested to review this proposed reroute and file a report with the Commission. Dakota Access did review this proposed reroute and filed its report as Late Filed Exhibit #5. Dakota Access indicated that after review, it preferred to maintain its original route as proposed in the application, indicating that the alternate route suggested by Mr. Ferebee was not reasonable due to the following factors: the alternative route would increase the length of the pipeline by 0.71 miles thereby impacting 9 new landowners, place the pipeline within 500 feet of an occupied residence along 1st Street NW and within 500 feet of two ground water wells, cut through a shelter belt requiring a 150 foot wide path to be cleared for construction, and would result in two additional road crossings. The proposed alternative would achieve co-location with the Tesoro pipeline for only 51% of its length. The Commission finds that the reroute proposed by Mr. Ferebee is not reasonable and will not be required.
- 69. On September 14, 2015, Dakota Access filed with the Commission seventeen route adjustments, which incorporates portions of the route designated in its application and also proposed reroutes. The landowners of each of the seventeen route adjustments have granted easements for the route adjustments. Two of those route adjustments, Reroute Location 12 and Reroute Location 14, are located outside of the original one mile study area described in the application. Notice of Opportunity for Hearing was issued by the Commission on September 16, 2015, for issues concerning Reroute Location 12 and Reroute Location 14. No comments or requests for hearing were received by the Commission. The Commission approves the seventeen route adjustments.
- 70. At the public hearing in Williston, North Dakota on June 26, 2015, Lynn Hovde testified about his concerns with the route filed by Dakota Access due to the crossing of a planned feedlot expansion area. Mr. Hovde proposed an alternative route which is filed with the Commission as Exhibit H-1. On December 2, 2015, Dakota Access filed with the Commission the Lynn Hovde route adjustment which is a modification of Mr. Hovde's original proposal. The landowners of the Lynn Hovde route adjustment have granted easements for the route adjustment. The route adjustment falls within the one mile study area described in the application. The Commission approves the Lynn Hovde route adjustment.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over Dakota Access and the subject matter of this application under North Dakota Century Code Chapter 49-22.

- 2. The Project proposed by Dakota Access is a transmission facility as defined in North Dakota Century Code § 49-22-03(12).
- 3. The location, construction, and operation of the proposed Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.
- 4. The application submitted by Dakota Access meets the Corridor and Route evaluation criteria required by North Dakota Century Code Chapter 49-22.
- 5. The proposed transmission facility Corridor and Route will minimize adverse human and environmental impact, while ensuring continuing system reliability and integrity, and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.
- 6. The location, construction and operation of the proposed Project are compatible with environmental preservation and the efficient use of resources.
- 7. The Project is of such design and location that it will produce minimal adverse effects, pursuant to North Dakota Century Code § 49-22-07.2, and it is therefore appropriate for the Commission to grant Dakota Access's application for a waiver of procedures and time schedules.

From the foregoing Findings of Fact and Conclusions of Law, the Commission now issues its:

<u>Order</u>

The Commission orders:

- 1. Dakota Access's application for a waiver of procedures and time schedules is granted.
- 2. Certificate of Corridor Compatibility No. ___ is issued to Dakota Access designating a corridor in Mountrail, Williams, McKenzie, Dunn, Mercer, Morton and Emmons Counties, North Dakota, for the construction, operation and maintenance of the proposed crude oil pipeline and associated facilities, which includes six tank terminals in Mountrail, Williams and McKenzie Counties. For purposes of the Certificate, the designated Corridor is 358 miles long and one mile in width centered on the pipeline route designated in this Order.
- 3. Route Permit No. ____ is issued to Dakota Access, designating a route in Mountrail, Williams, McKenzie, Dunn, Mercer, Morton and Emmons Counties, North Dakota, for the construction of a 358 mile long crude oil pipeline and associated facilities, which includes six tank terminals in Mountrail, Williams and McKenzie Counties. The designated route for this purpose consists of the route as filed in the initial application as modified by the seventeen route adjustments filed by Dakota Access on September 14,

2015, and the Lynn Hovde route adjustment filed by Dakota Access on December 2, 2015 (the "Revised Route").

- 4. Dakota Access shall complete the Class III Cultural Resource inventories, for at least 250 feet wide centered on the route, and all remaining unsurveyed portions of the Revised Route, and shall file with the Commission documentation showing SHPO concurrence that no historic properties or sites will be affected prior to beginning construction in the areas associated with each report.
- 5. The May 20, 2015, Certification Relating to Order Provisions-Transmission Facility Siting (Certification) with accompanying Tree and Shrub Mitigation Specifications as executed by Dakota Access, are incorporated by reference and attached to this Order.
- 6. To the extent there are any conflicts or inconsistencies between Dakota Access's application and the May 20, 2015, Certification, the Certification provisions control.
- 7. Dakota Access is required to comply with all applicable laws, rules and/or regulations in the event it desires to construct another or a different transmission facility than was specified in the application within the corridor granted in this proceeding.
- 8. Dakota Access shall comply with all the rules and regulations of all of the agencies having jurisdiction over any phase of the proposed Project. Prior to commencing construction of any segment of the proposed Project, Dakota Access shall obtain all other necessary licenses and permits for construction of such segment, and provide copies to the Commission prior to such construction.
- 9. Dakota Access shall locate its pipeline at least 50 feet from North Dakota Pipeline Company, LLC permitted routes as measured from the center line of pipeline to center line of pipeline, except in locations where landowners or agencies require a lesser distance or it is infeasible to have a 50 foot separation. In such cases, the pipeline shall be located no less than 25 feet from the North Dakota Pipeline Company, LLC's permitted routes, as measured from the center line of pipeline to center line of pipeline. Dakota Access and North Dakota Pipeline Company, LLC both shall install and construct their pipelines in a safe and workmanlike manner in accordance with established usual and customary industry practice to insure the safety and integrity of existing pipelines when temporary workspaces overlap.

PUBLIC SERVICE COMMISSION

Randy Christmann	Julie Fedorchak	Brian R. Kalk
Commissioner	Chairman	Commissioner

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of Dakota Access LLC for a Certificate of Site Compatibility and Route Permit for the Dakota Access Pipeline Project in Mountrail, Williams, McKenzie, Dunn, Mercer, Morton and Emmons Counties, North Dakota

CASE NO. PU-14-842

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NORTH DAKOTA)

)&

COUNTY OF BURLEIGH

Laura Jurgens, being first duly sworn on oath, deposes and says: That she is a citizen of the United States over the age of eighteen years and not a party to, nor interested in, the above entitled action.

That on the 9th day of December, 2015, this affiant did deposit in the United States Post office at Bismarck, North Dakota, a true and correct copy of the following documents:

1. Dakota Access's Proposed Findings of Fact, Conclusions of Law and Order

That the document with postage prepaid was mailed, directed to the persons to be served at their last known post office address as follows:

Zachary E. Pelham Pearce & Durick 314 E. Thayer Ave. Bismarck, ND 58501

Derrick Braaten 109 North Fourth Street, Ste. 100 Bismarck, ND 58501-4003

Bryan Van Grinsven Wells Fargo Bk. Center 15 Second Ave. SW #305 PO Box 998 Minot, ND 58702-0998

Bryan L. Giese Attorney at Law 107 First Ave. NW Mandan, ND 58554-3150

To the best of affiant's knowledge, the address above given is the actual post office address of the party intended to be served.

Laura Jurgens

Subscribed and sworn to before me this 9th day of December, 2015.

LISA HERBERHOLZ Notary Public State of North Dakota

(M) Commission Expires March 17, 2017

Notary Public

Burleigh County, North Dakota

My Commission Expires: